

C. BAY CITY

1. OVERVIEW

City Location & History

Bay City is located on the Saginaw River, 115.0 miles northwest of Detroit, at the center of the east coast of Michigan's lower peninsula where the river empties into Saginaw Bay/Lake Huron. It was settled in 1832, became the seat of Bay County in 1857, and was chartered as a city in 1859. The first major industries in the area were lumbering/milling (1844), salt mining (1850), and shipbuilding (1856). Today, the Bay City area is known for farming, sugar refining, fishing, salt mining, shipbuilding, cargo shipping, and tourism. In its efforts to diversify, Bay City businesses produce cement, plastics, textile products, auto components, and industrial equipment.

Bay City is located east of the intersection of Interstate 75 (Flint south and Grayling north) and State Route 25 (Midland west). In 2007 it was estimated that Bay City had 34,385 people living in 14,723 households within 10.4 square miles.

Downtown Study Area Delineation & Boundaries

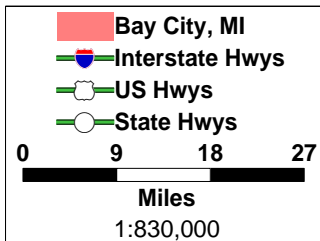
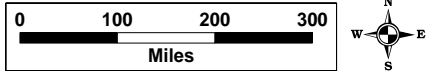
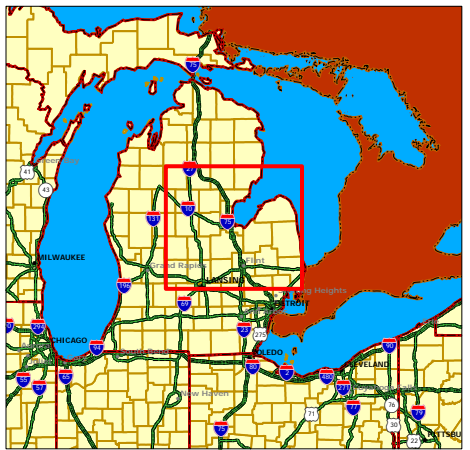
The Bay City Downtown Study Area (DSA) was established after a driving tour of the inner city and consultation with city officials. The following four factors influenced the final delineation: (1) exclusion of single-family neighborhoods, (2) inclusion of the Central Business District, (3) general adherence to downtown development authority boundaries, and (4) recognition of significant natural and man-made barriers. For this study, the Bay City DSA is generally described as follows:

- North boundary: Woodside Avenue
- East boundary: Jackson Street / Monroe Street / Adams Street
- South boundary: Columbus Avenue / 16th Street / 19th Street
- West boundary: Saginaw River

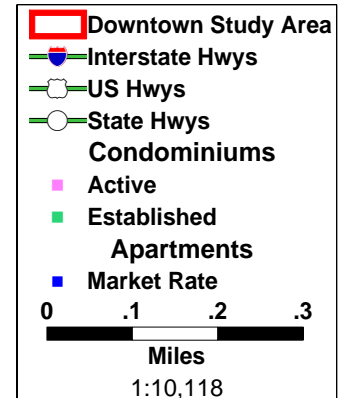
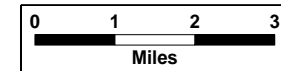
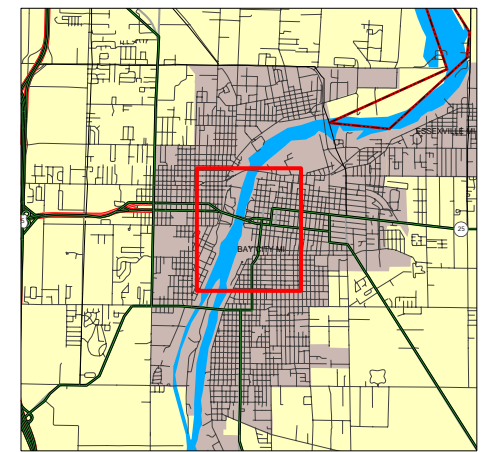
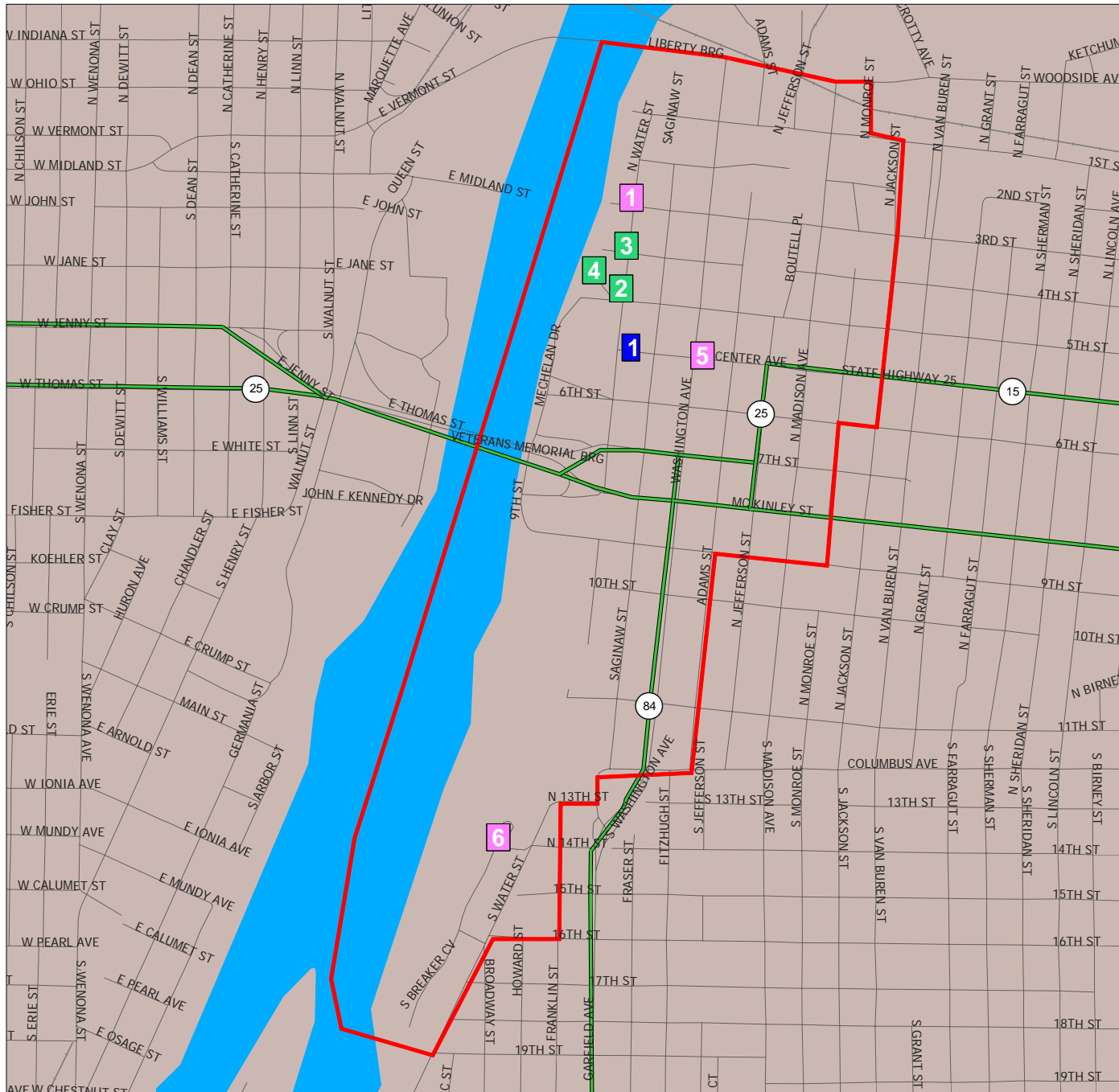
The geographic center of the DSA is the intersection of Washington Avenue and McKinley Street.

A regional map showing the location of the city within the state and a map delineating the specific boundaries of the DSA follow. On this DSA map, we have shown the location of each multi-unit property (both rental and condominium) surveyed within the Bay City DSA. Map I.D. numbers for surveyed properties are identified in the Multi-Unit Housing Supply Analysis later in this section.

Bay City, MI: Surrounding Region



Bay City, MI: DSA Boundary with Surveyed Properties



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2007 Demographic Snapshot (Estimated from 2000 Census)

The following table provides a brief demographic snapshot of key population and household characteristics for the Bay City DSA and the remainder of the city:

	2007 ESTIMATE	
	DOWNTOWN STUDY AREA	REMAINDER OF BAY CITY
POPULATION		
NUMBER	1,103	33,282
MEDIAN AGE	36.2	37.1
GENDER		
PERCENT MALE	51.5%	48.4%
PERCENT FEMALE	48.5%	51.6%
EDUCATION (AGE 25+)		
PERCENT HIGH SCHOOL EDUCATED	67.3%	56.4%
PERCENT COLLEGE EDUCATED	32.7%	43.6%
MARTIAL STATUS (AGE 15+)		
PERCENT SINGLE	69.2%	49.6%
PERCENT MARRIED	30.8%	50.4%
HOUSEHOLDS		
NUMBER	592	14,131
PRESENCE OF CHILDREN		
PERCENT WITH CHILDREN	22.6%	37.9%
PERCENT WITHOUT CHILDREN	77.4%	62.2%
AVERAGE SIZE	1.8	2.3
TENURE		
PERCENT OWNER	22.6%	72.0%
PERCENT RENTER	77.4%	28.0%
MEDIAN INCOME	\$13,170	\$34,288

Source: 2000 Census, Claritas, Inc.

The above data and more detailed demographic information are analyzed in the following section.

2. DEMOGRAPHICS

The following information has been compiled from the U.S. Census Bureau, the U.S. Department of Housing and Urban Development, the U.S. Department of Labor, and the FBI. It has been grouped into five categories for analysis: (1) population characteristics - descriptors for individual people, (2) household characteristics - descriptors for people living together in one residence, (3) housing characteristics - descriptors for residential dwelling units, (4) crime and transportation - descriptors for crime rates and transit/commuting activities, and (5) economic and employment indicators - descriptors for business and employment activity. This information is provided for expanding geographic areas: (1) the Downtown Study Area

(DSA), (2) the remainder of the Bay City DSA's city, and (3) the state of Michigan.

Population Characteristics

	DOWNTOWN STUDY AREA	REMAINDER OF BAY CITY	STATE OF MICHIGAN
POPULATION			
1990 CENSUS	1,168	37,687	9,295,297
2000 CENSUS	1,171	35,646	9,938,444
2007 ESTIMATED	1,103	33,282	10,159,688
2012 PROJECTED	1,050	31,595	10,268,116
PERCENT CHANGE 1990 TO 2000	0.3%	-5.4%	6.9%
PERCENT CHANGE 2000 TO 2007	-5.8%	-6.6%	2.2%
PERCENT CHANGE 2007 TO 2012	-4.8%	-5.1%	1.1%
POPULATION BY AGE 2007			
PERCENT AGE LESS THAN 18 (CHILDREN)	18.6%	24.6%	24.5%
PERCENT AGE 18 TO 34 (YOUNG ADULTS)	29.9%	22.4%	22.6%
PERCENT AGE 35 TO 54 (MIDDLE-AGED ADULTS)	23.3%	29.1%	29.2%
PERCENT AGE 55 OR MORE (SENIORS)	28.2%	23.9%	23.7%
MEDIAN AGE	36.2	37.1	37.1
POPULATION BY GENDER 2007			
PERCENT MALE	51.5%	48.4%	49.2%
PERCENT FEMALE	48.5%	51.6%	50.8%
POPULATION BY EDUCATION (AGE 25+) 2007			
PERCENT HIGH SCHOOL GRADUATES OR LESS	67.3%	56.4%	47.6%
PERCENT SOME COLLEGE	18.9%	23.2%	23.4%
PERCENT COLLEGE GRADUATES OR MORE	13.9%	20.4%	29.1%
POPULATION BY MARTIAL STATUS (AGE 15+) 2007			
PERCENT NEVER MARRIED	34.9%	29.0%	27.2%
PERCENT MARRIED	30.8%	50.4%	56.3%
PERCENT WIDOWED/DIVORCED	34.3%	20.5%	16.5%
LAND AREA, POPULATION DENSITY & DAYTIME POPULATION 2007			
LAND AREA (IN SQUARE MILES)	0.5	9.9	56,803.8
PERSONS PER SQUARE MILE	2,210.4	3,358.4	178.9
DAYTIME POPULATION	4,698	18,736	5,680,903

Source: 2000 Census; Claritas, Inc.

Noteworthy observations and trends from the above table for the Bay City DSA include the following:

- The total population within the DSA held steady from 1990 to 2000 (0.3%), while the remainder of the city decreased by 5.4% and the state increased by 6.9%. From 2000 to 2012, total population within the DSA was projected to decrease at about the same rate as the remainder of the city (10.6% versus 11.7%), while the state was projected to increase by 3.3%.

- In 2007 1,103 people resided within the DSA, representing only 3.2% of the city's total population.
- In 2007 the typical DSA resident profile was a 36 year old adult (even distribution among age cohorts) who was only high school educated (67.3%) and unmarried (69.2%). Males and females were evenly divided. This profile is very similar to the remainder of the city and the state. The percentage of children under 18 years of age within the DSA (18.6%) was lower than the remainder of the city (24.6%) and the state (24.5%).
- In 2007 the land area within the DSA represented 4.8% of the total area within the city limits.
- In 2007 the population density within the DSA was 1.52 times sparser than the remainder of the city.

Household Characteristics

	DOWNTOWN STUDY AREA	REMAINDER OF BAY CITY	STATE OF MICHIGAN
HOUSEHOLDS			
1990 CENSUS	651	14,885	3,419,331
2000 CENSUS	627	14,581	3,785,661
2007 ESTIMATED	592	14,131	3,936,519
2012 PROJECTED	560	13,643	4,009,481
PERCENT CHANGE 1990 TO 2000	-3.7%	-2.0%	10.7%
PERCENT CHANGE 2000 TO 2007	-5.6%	-3.1%	4.0%
PERCENT CHANGE 2007 TO 2012	-5.4%	-3.5%	1.9%
HOUSEHOLDS BY COMPOSITION 2007			
PERCENT SINGLE	60.7%	34.0%	27.2%
PERCENT MARRIED WITH CHILDREN	5.4%	19.2%	23.5%
PERCENT MARRIED NO CHILDREN	10.4%	24.4%	28.7%
PERCENT SINGLE PARENT	17.3%	18.7%	16.0%
PERCENT OTHER	6.3%	3.7%	4.7%
AVERAGE HOUSEHOLD SIZE 2007	1.8	2.3	2.5
HOUSEHOLDS BY TENURE 2007			
PERCENT OWNER	22.6%	72.0%	74.5%
PERCENT RENTER	77.4%	28.0%	25.5%
MEDIAN HOUSEHOLD INCOME 2007	\$13,170	\$34,288	\$50,319
HOUSEHOLDS BY PRIZM NE LIFESTAGE CLASSES & GROUPS 2007*			
PERCENT YOUNGER YEARS CLASS	22.9%	25.2%	32.7%
PERCENT <i>MIDLIFE SUCCESS</i> GROUP	1.0%	4.3%	15.4%
PERCENT <i>YOUNG ACHIEVERS</i> GROUP	3.1%	6.5%	6.8%
PERCENT <i>STRIVING SINGLES</i> GROUP	18.8%	14.5%	10.5%
PERCENT FAMILY LIFE CLASS	10.4%	19.7%	30.6%
PERCENT <i>ACCUMULATED WEALTH</i> GROUP	0.0%	0.2%	4.0%
PERCENT <i>YOUNG ACCUMULATORS</i> GROUP	0.1%	1.6%	8.4%
PERCENT <i>MAINSTREAM FAMILIES</i> GROUP	0.4%	7.2%	14.7%
PERCENT <i>SUSTAINING FAMILIES</i> GROUP	9.9%	10.9%	3.6%
PERCENT MATURE YEARS CLASS	66.8%	55.1%	36.7%
PERCENT <i>AFFLUENT EMPTY NESTS</i> GROUP	0.9%	3.6%	6.1%
PERCENT <i>CONSERVATIVE CLASSICS</i> GROUP	1.3%	7.6%	10.7%
PERCENT <i>CAUTIOUS COUPLES</i> GROUP	2.2%	22.4%	11.6%
PERCENT <i>SUSTAINING SENIORS</i> GROUP	62.4%	21.4%	8.4%

Source: 2000 Census; Claritas, Inc.

*See Addendum A for Lifestage Class & Group definitions.

Noteworthy observations and trends for the Bay City DSA include the following:

- The total number of households within the DSA decreased at a higher rate than the remainder of the city from 1990 to 2000 (3.7% versus 2.0%), and was projected to decrease at a higher rate than the remainder of the city from 2000 to 2012 as well (11.0% versus 6.6%). The state's number of households increased 10.7% from 1990 to 2000, and was projected to increase 5.9% from 2000 to 2012.

- In 2007 592 households resided within the DSA, representing only 4.0% of city's total households.
- In 2007 the typical DSA household profile was a single adult (78.0%) with no children (71.1%) earning \$13,170 a year (median income) and renting their residence (77.4%). This profile is quite different from the remainder of the city and the state. Percentages of DSA households with children (22.7%) and married adults (15.8%) were well below the remainder of the city (37.9% and 43.6%) and the state (39.5% and 52.2%).
- In 2007 the average household size within the DSA (1.8 people) was much smaller than the remainder of the city (2.3) and the state (2.5).
- In 2007 the percent of renter households within the DSA (77.4%) was much higher than the remainder of the city (28.0%) and the state (25.5%).
- In 2007 the median income within the DSA (\$13,170) was well below the remainder of the city (\$34,288) and the state (\$50,319).
- *Claritas, Inc. Prizm NE Lifestage* data for 2007 (estimated) was used to determine DSA resident profiles. Residents were classified in three main Lifestage classes: Younger Years, Family Life, and Mature Years. The largest Lifestage class within the DSA was *Mature Years* at 66.8% of all households, while the two largest Lifestage groups were *Sustaining Seniors* (62.4%) and *Striving Singles* (18.8%). The largest Lifestage class in the remainder of the city was *Mature Years* at 55.1% of all households, while the two largest Lifestage groups were *Cautious Couples* (22.4%) and *Sustaining Seniors* (21.4%). The largest Lifestage class in the state was *Mature Years* at 36.7% of all households, while the two largest Lifestage groups were *Midlife Success* (15.4%) and *Mainstream Families* (14.7%). Although the DSA Lifestage class percentages compare closely to the remainder of the city, they are very different from the state as a whole. Further, the DSA Lifestage group percentages are different from the remainder of the city and the state. This indicates that household composition within the DSA is different from the remainder of the city and very different from the state as a whole. Bay City DSA households are older, smaller, mostly childless, lower income, and mostly renters.

Housing Characteristics

	DOWNTOWN STUDY AREA	REMAINDER OF BAY CITY	STATE OF MICHIGAN
HOUSING UNITS 2000			
PERCENT OCCUPIED	91.8%	93.6%	89.4%
PERCENT VACANT	8.2%	6.4%	10.6%
TOTAL	683	15,576	4,234,279
HOUSING UNITS 2007			
PERCENT OCCUPIED	90.9%	92.8%	87.8%
PERCENT VACANT	9.1%	7.2%	12.2%
TOTAL	651	15,221	4,482,194
HOUSING UNITS 2012			
PERCENT OCCUPIED	90.0%	92.0%	86.2%
PERCENT VACANT	10.0%	8.0%	13.8%
TOTAL	622	14,828	4,652,213
HOUSING PAYMENTS GREATER THAN 30% OF INCOME BY TENURE 2000			
PERCENT OWNER-OCCUPIED UNITS	26.1%	18.7%	17.8%
PERCENT RENTER-OCCUPIED UNITS	36.1%	38.0%	37.6%
AVERAGE MONTHLY OWNER HOUSING PAYMENT 2000	\$705	\$596	\$1,037
AVERAGE MONTHLY RENTER HOUSING PAYMENT 2000	\$279	\$427	\$578
AVERAGE NUMBER OF ROOMS PER OCCUPIED HOUSING UNIT 2000	4.1	5.7	5.7
AVERAGE NUMBER OF BEDROOMS PER OCCUPIED HOUSING UNIT 2000	2.0	2.2	2.3
YEAR BUILT; OWNER-OCCUPIED UNITS (2000)			
PERCENT 1990 TO MARCH 2000	23.2%	1.6%	16.0%
PERCENT 1980 TO 1989	-0.7%	2.0%	9.7%
PERCENT 1979 OR EARLIER	77.5%	96.5%	74.3%
YEAR BUILT; RENTER-OCCUPIED UNITS (2000)			
PERCENT 1990 TO MARCH 2000	1.6%	2.8%	10.2%
PERCENT 1980 TO 1989	18.1%	4.2%	13.0%
PERCENT 1979 OR EARLIER	80.2%	93.0%	76.8%
HOUSING UNITS BY STRUCTURE TYPE 2000			
PERCENT SINGLE FAMILY	21.2%	75.2%	74.5%
PERCENT 2 TO 19 UNITS IN A BUILDING	30.3%	19.4%	13.7%
PERCENT 20 TO 49 UNITS IN A BUILDING	10.0%	1.0%	2.2%
PERCENT 50 OR MORE UNITS IN A BUILDING	37.5%	3.0%	3.0%
PERCENT OTHER	1.0%	1.5%	6.7%
MEDIAN HOME VALUE 2000	\$84,225	\$65,520	\$110,857
MEDIAN HOME VALUE 2007	\$99,000	\$83,769	\$145,613
MEDIAN HOME VALUE 2012	\$100,000	\$90,257	\$158,803
AVERAGE RESIDENCY LENGTH; OWNER-OCCUPIED UNITS	8.0	14.0	11.0
ANNUAL TURNOVER; OWNER-OCCUPIED UNITS (2000)	14.1%	5.5%	7.7%
ANNUAL TURNOVER; RENTER-OCCUPIED UNITS (2000)	20.1%	34.1%	31.6%

Source: 2000 Census; Claritas, Inc.

Noteworthy observations and trends for the Bay City DSA include the following:

- The total number of housing units in the DSA was projected to decrease at a higher rate than the remainder of the city from 2000 to 2012 (8.9% versus 4.8%), while the state was expected to increase by 9.9% during the same period.
- From 2000 to 2012 the vacancy rate within the DSA was projected to increase from 8.2% to 10.0%, a 22.0% increase. This increasing vacancy rate was projected to hold true for the remainder of the city and the state, however, at differing rates. In 2012 it was projected that the DSA vacancy rate will be higher than the rest of the city, but lower than the state rate.
- In 2007 there were 651 housing units within the DSA, representing only 4.1% of the city's total housing units. Of all the DSA housing units, 9.1% were estimated to be vacant.
- In 2000 36.1% of the renter-occupied units within the DSA paid more than 30% of their gross income for housing. This is a similar percentage to the remainder of the city and the state.
- In 2000 owner-occupied units within the DSA paid an average of \$705 per month for housing, which was more than the remainder of the city (\$596), but less than the state (\$1,037). Renter-occupied units within the DSA paid an average of \$279 per month for housing, which was much less than the remainder of the city (\$427) and the state (\$578).
- In 2000 the average number of total rooms (4.1) and bedrooms (2.0) per DSA housing unit were less than the remainder of the city (5.7 and 2.2) and the state (5.7 and 2.3). This indicates that housing units within the DSA were smaller than those found in the rest of the city and the state.
- In 2000 77.8% of all housing units within the DSA were in multi-unit buildings. This percentage is much higher than the remainder of the city (23.4%) and the state (18.9%). Conversely, 21.2% of all housing units in the DSA were single-unit/single-family structures.
- Although the median home value within the DSA was projected to increase at a lower rate than the remainder of the city and the state from 2000 to 2012 (18.2% versus 37.8% and 43.3%), the actual value was projected to be higher than the remainder of the city, but lower than the state.

- The average residency length of owner-occupied units within the DSA (eight years) is much shorter than the remainder of the city (14 years) and the state (11 years). The annual turnover rate within the DSA for renter-occupied units is lower than the rest of the city and the state, but higher for owner-occupied units.

Crime & Transportation

	DOWNTOWN STUDY AREA	REMAINDER OF BAY CITY	STATE OF MICHIGAN
CRIME INDEX 2007*			
<i>PERSONAL CRIME</i>	168	92	94
<i>PROPERTY CRIME</i>	266	121	115
WORKER COMMUTE BY MODE (AGE 16+) 2007			
PERCENT DRIVE ALONE	73.2%	83.9%	83.5%
PERCENT CARPOOL	14.6%	8.2%	9.6%
PERCENT PUBLIC TRANSIT	0.9%	1.1%	1.2%
PERCENT WALK	7.6%	2.9%	2.2%
PERCENT MOTORCYCLE / BICYCLE	0.9%	0.4%	0.2%
PERCENT OTHER MEANS	0.9%	0.5%	0.5%
PERCENT WORK AT HOME	2.0%	3.0%	2.9%
TOTAL WORKERS	345	15,027	4,777,007
AVERAGE WORKER COMMUTE TIME IN MINUTES (AGE 16+) 2007	16.5	20.9	26.2
AVERAGE NUMBER OF VEHICLES PER HOUSEHOLD BY TENURE 2007			
OWNER HOUSEHOLDS	0.9	1.6	1.8
RENTER HOUSEHOLDS	1.6	1.8	2.0
ALL HOUSEHOLDS	0.7	1.1	1.2

Source: 2000 Census; Claritas, Inc.; Applied Geographic Solutions; VWB Research

* Based on par value of 100

Noteworthy observations and trends from the above table for the Bay City DSA include the following:

- In 2007 personal crime indices within the DSA were higher than the remainder of the city, the state, and the national average. Property crime indices within the DSA were much higher than the remainder of the city, the state, and the national average.
- In 2007 the adult workers within the DSA used a car less often to commute than did the adult workers in the remainder of the city and the state (87.8% versus 92.1% and 93.1%); 7.6% walked to work, and 0.9% used public transit.
- In 2007 adult workers within the DSA had shorter commute times (16.5 minutes) than those in the remainder of the city (20.9) and the state (26.2).

- In 2007 households within the DSA had fewer vehicles (0.7) than those in the remainder of the city (1.1) and the state (1.2).

Economic & Employment Indicators

	DOWNTOWN STUDY AREA	REMAINDER OF BAY CITY	STATE OF MICHIGAN
EMPLOYMENT SHARE BY INDUSTRY 2007			
AGRICULTURE & NATURAL RESOURCES	0.0%	0.8%	1.1%
MINING	0.0%	0.2%	0.1%
CONSTRUCTION	0.9%	2.9%	4.3%
MANUFACTURING	8.4%	24.2%	14.7%
TRANSPORTATION & UTILITIES	5.1%	3.1%	4.1%
WHOLESALE TRADE	2.6%	2.3%	4.3%
RETAIL TRADE	17.6%	19.8%	19.4%
F.I.R.E.	10.6%	4.6%	5.9%
SERVICES	21.7%	37.1%	39.9%
GOVERNMENT	32.5%	4.7%	5.0%
NON-CLASSIFIABLE	0.6%	0.4%	1.1%
TOTAL EMPLOYEES	4,696	18,737	5,680,903
ANNUAL UNEMPLOYMENT RATE			
2000	N/A	4.4%	3.7%
2001	N/A	5.7%	5.2%
2002	N/A	7.1%	6.2%
2003	N/A	8.1%	7.1%
2004	N/A	8.0%	7.0%
2005	N/A	7.5%	6.8%
2006	N/A	7.5%	6.9%
2007	N/A	7.5%	7.2%
MEDIAN HOUSEHOLD EFFECTIVE BUYING INCOME 2007	\$13,061	\$30,181	\$41,752
ECONOMIC DENSITIES 2007			
TOTAL BUSINESSES PER SQUARE MILE	917.8	126.3	7.1
RETAIL BUSINESSES PER SQUARE MILE	202.4	28.7	1.4
EMPLOYEES PER SQUARE MILE	9,414.8	1,890.6	100.0
RESIDENTIAL MULTI-UNIT BUILDING PERMITS BY DECADE (5+ UNITS PER BUILDING)			
2000 TO 2006 (UNITS)	N/A	0	46,563
1990 TO 1999 (UNITS)	N/A	194	65,592
1980 TO 1989 (UNITS)	N/A	0	106,921

Source: Claritas, Inc.; Department of Labor, Bureau of Labor Statistics; socds.huduser.org – Building Permit Database

Table continued

TOP 10 EMPLOYERS WITHIN ONE MILE OF DOWNTOWN STUDY AREA	NUMBER OF EMPLOYEES	TYPE OF BUSINESS
1. GENERAL MOTORS POWERTRAIN	1,312	AUTO PARTS MAKER
2. BAY CITY POWER & LIGHT	400	CITY ELECTRIC DEPARTMENT
3. HOLY TRINITY BOOSTER CLUB	240	CIVIC ORGANIZATION
4. NATIONAL CITY BANK	200	COMMERCIAL BANK
5. F. P. HORAK	180	PRINTING
6. ECONOMY CENTER	140	USED MERCHANDISE STORE
7. CENTRAL HIGH SCHOOL	130	PUBLIC SCHOOL
8. DOUBLETREE HOTEL	130	HOTEL
9. CONSISTORY CATHEDRAL	110	FOOD SERVICE
10. BAY COUNTY SHERIFF DEPARTMENT	96	LAW ENFORCEMENT

Source: 2007 InfoUSA Business Database

Noteworthy observations and trends for the Bay City DSA include the following:

- In 2007 4,696 people worked within the DSA, representing 20.0% of all workers within the city.
- In 2007 the industry with the most employees working within the DSA was Government at 32.5%.
- In 2007 white-collar employment within the DSA (52.8%) was similar to the remainder of the city (52.5%) and the state (56.9%).
- From 2000 to 2007, the unemployment rate for Bay City has fluctuated from a low of 4.4% in 2000 to a high of 8.1% in 2003. However, the rate has always been higher than the state rate. In 2007 the unemployment rate for Bay City was 7.5%, compared to the state's 7.2%.
- In 2007 the median household effective buying income within the DSA (\$13,061) was well below the remainder of the city (\$30,181) and the state (\$41,752).
- On a citywide basis, residential permits for units in buildings with five or more dwellings were only issued during the 1990s. None were issued during the 1980s or this decade. During the 1990s, an average of 19 multi-unit building permits per year were issued citywide.
- Within 1.0 mile of the DSA, the largest employer is General Motors with 1,312 employees. The 10 largest employers within 1.0 mile of the DSA employ a total of 2,938 people. Within the DSA, 4,696 people are employed, yielding an "Employment per DSA Resident" ratio of 4.3 to 1 (based on 2007 estimates).

Demographic Summary

Resident households within the Bay City DSA typically are childless, unmarried adults (36 year median age) who either live alone or with a roommate/partner, are only high school educated, earn an average of \$13,000 per year, and rent their residence. The largest Lifestage Group is *Sustaining Seniors*, indicating the presence of older, lower income households within the DSA. There are slightly more males than females. After remaining level during the 1990s, the DSA population is projected to decrease from 2000 to 2012 with the number of households falling as well. Only 3.2% of the city's population is projected to live within the Bay City DSA in 2007. Population density is average, and daytime population is below average for this study.

The number of total housing units within the DSA is projected to decrease from 2000 to 2012, while the vacancy rate is expected to increase. Only 4.1% of the city's total housing units are projected to be within the DSA. There are many more renters than owners, and over a third of those renting pay over 30% of their income for housing. Housing units are denser (more units per building) and smaller within the DSA than the remainder of the city. The typical housing unit within the DSA has two bedrooms and is in a multi-unit building. DSA owners and renters pay less per month for housing than the state averages. Most housing units within the DSA were built prior to 1980. While median home values are increasing, they are slightly higher than the remainder of the city, but lower than the state. Residency length is shorter within the DSA. The annual turnover rate within the DSA is higher for owners than the remainder of the city or the state, but lower for renters.

Crime indices within the DSA are significantly higher than the rest of the city and the state. Transportation data indicates that DSA residents/households drive less often to work, have shorter commuting times, and own fewer vehicles than their counterparts outside the DSA.

General Motors and Bay City Power & Light most heavily influence employment in and near the DSA. Six of the largest 10 employers within 1.0 mile of the DSA are private for-profit businesses. Most employment is white-collar (52.8%) with 82.4% of jobs falling within Service, Retail, Government, and Finance/Insurance/Real Estate industries.

Unemployment citywide has increased since 2000, and has run slightly higher than the state rate. There have been no building permits for residential dwellings in multi-unit buildings issued citywide since 1999, indicating a long-term softening of the multi-unit housing market. Economic densities for the DSA are average for this study. Per square mile, it is average for total businesses and retail businesses, but below average for employees.

3. MULTI-UNIT HOUSING SUPPLY ANALYSIS

Demographic Housing Supply Overview

According to the U.S. Census, the distribution of housing stock by tenure and occupancy within the Bay City DSA for 2000, 2007 (estimated), and 2012 (projected) is summarized in the following table:

HOUSING TYPE	2000 CENSUS		2007 (ESTIMATED)		2012 (PROJECTED)	
	HOUSING UNITS	PERCENT	HOUSING UNITS	PERCENT	HOUSING UNITS	PERCENT
TOTAL OCCUPIED	627	91.8%	592	90.9%	560	90.0%
OWNER-OCCUPIED	142	22.6%	134	22.6%	128	22.9%
RENTER-OCCUPIED	485	77.4%	458	77.4%	432	77.1%
VACANT	56	8.2%	59	9.1%	62	10.0%
TOTAL	683	100.0%	651	100.0%	622	100.0%

Source: 2000 Census; Claritas, Inc.; VWB Research

For all three years (2000, 2007, and 2012), renter-occupied housing units outnumber owner-occupied housing units by more than three to one.

Demographic housing trends indicate the total number of housing units within the DSA was projected to decrease by 61, or 8.9%, from 2000 to 2012, while the vacancy rate for all housing units was projected to increase from 8.2% to 10.0% during the same 12-year period.

The following table shows the distribution of occupied housing units within the DSA by structure type (type = units per building) in 2000:

HOUSING UNITS BY STRUCTURE TYPE (2000 CENSUS)	NUMBER OF UNITS	PERCENT
SINGLE-UNIT	145	21.2%
LOW-DENSITY MULTI-UNIT (2 TO 19 UNITS PER BUILDING)	207	30.3%
MEDIUM-DENSITY MULTI-UNIT (20 TO 49 UNITS PER BUILDING)	68	10.0%
HIGH-DENSITY MULTI-UNIT (50+ UNITS PER BUILDING)	256	37.5%
OTHER (TRAILER/BOAT/RV/VAN/ETC.)	7	1.0%
TOTAL	683	100.0%

Source: U.S. Census Bureau; 2000 Census

The above table shows that most of the occupied housing units within the DSA were located in High-Density Multi-Unit buildings (37.5%). Of all the occupied housing units within the DSA, 77.8% were located in Multi-Unit buildings, while 21.2% were located in Single-Unit (one-family) buildings.

The following table presents selected housing characteristics by owner- and renter-occupied housing units for the DSA in 2000:

HOUSING CHARACTERISTIC IN YEAR 2000	OWNER-OCCUPIED HOUSING UNITS	RENTER-OCCUPIED HOUSING UNITS
AVERAGE MONTHLY HOUSING PAYMENT	\$705	\$279
PERCENT WITH HOUSING PAYMENT GREATER THAN 30% OF INCOME	26.1%	36.1%
AVERAGE HOUSEHOLD SIZE	2.3	1.5
PERCENT MOVED-IN BETWEEN 1995 & 2000	57.0%	61.2%
ANNUAL TURNOVER RATE	14.1%	20.1%
AVERAGE NUMBER OF TOTAL ROOMS	6.7	3.2
AVERAGE NUMBER OF BEDROOMS	2.7	1.3
PERCENT BUILT BETWEEN 1990 & 2000	23.2%	1.6%
MEDIAN YEAR BUILT	<1939	1959

Source: U.S. Census Bureau; 2000 Census

Noteworthy observations from the DSA include:

- Owners paid much more for housing than renters.
- Owner-occupied units had larger households than renter-occupied units.
- Between 1995 and 2000, 57.0% of owner-occupied households moved into the DSA, while 61% of renter-occupied households moved in during that period.
- Owner-occupied units were much larger than renter-occupied units.
- Twenty-three percent of owner-occupied units were built during the 1990s.

Multi-Unit Rental Housing Supply Survey

We identified and surveyed one multi-unit rental housing property totaling 11 units within the Bay City DSA that met the study's selection criteria (refer to Bay City DSA Map using property Map I.D. numbers below). A summary of the surveyed property by type, unit-count, and vacancy rate appears in the following table:

PROPERTY TYPE	PROPERTIES SURVEYED	TOTAL UNITS	VACANT UNITS	VACANCY RATE*
MARKET-RATE	1	11	0	0.0%
TOTAL	1	11	0	0.0%

*As of July 2007

Although there is only one surveyed property, the Bay City DSA multi-unit rental market is performing very well with an overall multi-unit rental vacancy rate of 0.0%. The study's aggregate vacancy rate for all surveyed multi-unit rental housing properties in this study is 8.9%; indicating the Bay City DSA has a lower vacancy rate than the study's aggregate average.

The following table summarizes key information for each multi-unit rental housing property surveyed within the DSA:

MAP I.D.	PROPERTY NAME	TYPE	YEAR BUILT/ RENOVATED	UNITS	BUILDING STORIES	VACANCY RATE**	QUALITY RATING	NET RENT* RANGE
1	TANNER PLACE	MRR	1867 / 1990	11	3	0.0%	B-	\$290 - \$500

*Net rent excludes all utilities except water, sewer, and trash removal.

**As of July 2007

Tanner Place is an old 1867 downtown mercantile building that was renovated in 1990. It is market-rate, has net monthly rents ranging from \$290 to \$500, no vacancies, and three stories.

Each surveyed rental property was rated on a scale of A through E, with A rated properties representing very high quality product that is upscale and luxurious, and E rated properties representing very low quality product that is in serious disrepair. All properties were rated on overall quality and appearance. Tanner Place received a B- quality rating.

The following table summarizes the breakdown of unit information by property type within the DSA:

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	VACANCY RATE*	MEDIAN NET RENT
STUDIO	1.0	2	18.2%	0	0.0%	\$290
ONE-BEDROOM	1.0	4	36.4%	0	0.0%	\$390
TWO-BEDROOM	1.0	5	45.5%	0	0.0%	\$500
TOTAL MARKET-RATE		11	100.0%	0	0.0%	-

*As of July 2007

The most common unit type is a two-bedroom/one-bath floor plan (45.5%), while the least common unit type is a studio/one-bath floor plan (18.2%). Median net monthly rent values range from a low of \$290 for a studio/one-bath market-rate unit to a high of \$500 for a two-bedroom/one-bath market-rate unit.

The following table summarizes the average net monthly rent per square foot by bedroom type and unit design for the multi-unit rental properties surveyed within the DSA (note: garden units have all living areas on one floor, regardless of the number of stories in a building, while townhouse units have living areas on multiple floors):

BEDROOM TYPE	AVERAGE NET RENT PER SQUARE FOOT			
	MARKET-RATE		TAX CREDIT	
	GARDEN	TOWNHOUSE	GARDEN	TOWNHOUSE
STUDIO	\$0.83	-	-	-
ONE-BEDROOM	\$0.78	-	-	-
TWO-BEDROOM	\$0.56	-	-	-

All surveyed rental units are garden-style walk-up plans. The above table indicates that the average net monthly rent per square foot ranges from a low of \$0.56 for a two-bedroom market-rate unit to a high of \$0.83 for a studio market-rate unit. Compared to aggregate averages in this study, the Bay City DSA's average net monthly rents per square foot are much lower.

The following table summarizes property counts, unit counts, vacancy rates, and median net monthly rents by quality rating and property type:

MARKET-RATE PROPERTIES				MEDIAN NET RENT		
QUALITY RATING	NUMBER	TOTAL UNITS	VACANCY RATE*	STUDIO	ONE-BR.	TWO-BR.
B-	1	11	0.0%	\$290	\$390	\$500

*As of July 2007

Correlations between the quality of surveyed properties and their vacancy rates or net monthly rents cannot be drawn since there is only one surveyed property.

The following appliances were included in the surveyed rental units:

- Range
- Refrigerator
- Dishwasher
- Disposal

The following amenities were included in the surveyed rental units:

- Air conditioning (central)
- Floor covering
- Window treatments

The following common amenities were included in the surveyed rental property for use by residents:

- Laundry

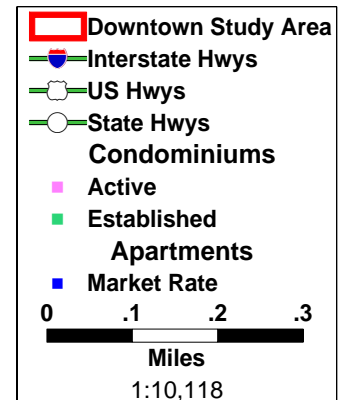
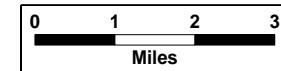
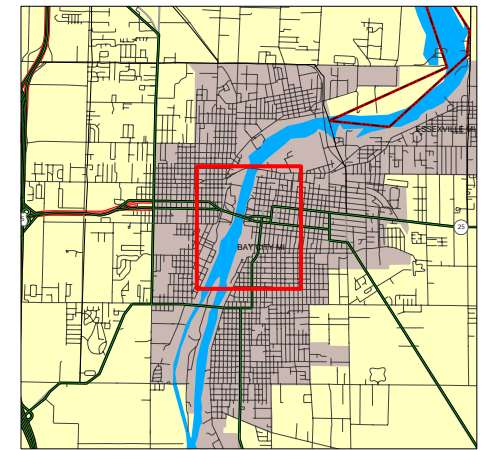
The following utility mix and payment responsibility were used in the surveyed rental property:

- Space heating (gas / tenant)
- Cooking (electric / tenant)
- Water heating (electric / tenant)
- Other electric (tenant)
- Water-sewer-trash (landlord)

An abbreviated field survey of all multi-unit rental properties in the Bay City DSA is provided in the following pages. Properties have been color-coded to reflect type. The field survey is comprised of the following major elements:


- A colored-coded map indicating the location of each property surveyed.
- A list of properties surveyed with name, address, telephone number, contact person, photograph, property type, year built and renovated (if applicable), number of floors, total units, occupancy rate, quality rating, and presence of an elevator.
- Rent and unit information by property and number of bedrooms.

Bay City, MI: DSA Boundary with Surveyed Properties



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SURVEY OF RENTAL PROPERTIES - BAY CITY, MI

1 Tanner Place Apts.	
	Address 109 Center Ave. Bay City, MI 48708 Year Built 1867 Renovated 1990 Project Type Market-rate Comments No elevator
	Contact Don Phone (989) 792-8315 (Contact by phone)
	Total Units 11 Vacancies 0 Occupied 100.0% Floors 3 Quality Rating B- Waiting List None

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Surveyed - July 2007

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PRICE PER SQUARE FOOT - BAY CITY, MI

STUDIO UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	NET RENT	\$ / SQ. FT.
1	Tanner Place Apts.	1	350	\$290	\$0.83
ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	NET RENT	\$ / SQ. FT.
1	Tanner Place Apts.	1	500	\$390	\$0.78
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	NET RENT	\$ / SQ. FT.
1	Tanner Place Apts.	1	900	\$500	\$0.56

Market-rate
Market-rate/Tax Credit
Market-rate/Government-subsidized
Market-rate/Tax Credit/Government-subsidized
Tax Credit
Tax Credit/Government-subsidized
Government-subsidized

Surveyed - July 2007

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MARKET RATE UNITS - BAY CITY, MI

STUDIO UNITS					
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	COLLECTED RENT
1	Tanner Place Apts.	2	350	1	\$290
ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	COLLECTED RENT
1	Tanner Place Apts.	4	500	1	\$390
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	COLLECTED RENT
1	Tanner Place Apts.	5	900	1	\$500

Surveyed - July 2007

VWB
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RESEARCH

Multi-Unit Condominium Housing Supply Survey

We identified and surveyed six multi-unit condominium housing properties totaling 137 units within the Bay City DSA that met the selection criteria. Of these surveyed properties, three are established (properties where all units have sold) and three are active (properties with unsold condominium product). The following table shows the status of the multi-unit condominium properties included in the field survey:

PROPERTY TYPE	NUMBER OF PROPERTIES	UNITS		
		TOTAL	SOLD	UNSOLD
ESTABLISHED	3	42	42	0
ACTIVE	3	95	67	28
TOTAL	6	137	109	28

There are a total of 42 units in the established properties that were sold between April 1998 and April 2006, and 95 units in the active properties. Of the active properties, 67 units, or 70.5%, were sold between December 1998 and July 2007 (study cut-off date), while 28 units, or 29.5%, remain unsold.

The following table summarizes the absorption trends by condominium property type within the DSA:

AVERAGE MONTHLY UNIT SALES	CONDOMINIUM PROPERTY TYPE			
	ESTABLISHED		ACTIVE	
	NUMBER	PERCENT	NUMBER	PERCENT
< 0.5	1	33.3%	2	66.6%
0.5 TO 0.9	1	33.3%	0	0.0%
1.0 TO 1.9	1	33.3%	1	33.3%
2.0 >	0	0.0%	0	0.0%
TOTAL	3	100.0%	3	100.0%

Since January 2000, a total of 67 condominium units sold. This is an average of 0.7 units monthly. The highest number of condominium units sold in any full year since 2000 occurred in 2000 when 17 units sold. This translates into a monthly absorption of 1.4 units. In 2007, the monthly absorption rate through July was even higher at 2.4 units. Prior to 2000, 42 condominium units sold representing 38.5% of all sold units within the DSA through July 2007.

The following table details quality ratings, unit information, and sales data for each multi-unit condominium property surveyed within the DSA:

MAP I.D.	PROPERTY NAME	QUALITY RATING	TOTAL UNITS	SOLD UNITS	UNSOLD UNITS	AVERAGE INITIAL SALE PRICE	AVERAGE MONTHLY UNIT SALES	SALES PERIOD
1	THE BOATHOUSE CONDOMINIUMS	A	37	24	13	\$543,746.00	1.8	8/06 to 7/07
2	ANTRIM PLACE CONDOMINIUMS	A	4	4	0	\$418,360.00	0.1	1/04 to 4/06
3	BROWNSTONES	A+	5	5	0	\$421,000.00	0.5	9/00 to 7/01
4	JENNISON PLACE CONDOMINIUMS	A	33	33	0	\$222,534.00	1.2	4/98 to 6/00
5	SHEARER BUILDING	B-	12	1	11	\$256,755.00	<0.1	4/05 to 7/07
6	BREAKERS COVE	B+	46	42	4	\$190,575.00	0.4	12/98 to 7/07
TOTAL / AVERAGE		A-	137	109	28	\$342,161.67	0.9*	

*Average weighted by sold units

Each surveyed condominium property was rated on a scale of A through E, with A rated properties representing very high quality product that is upscale and luxurious, and E rated properties representing very low quality product that is in serious disrepair. All properties were rated on overall quality and appearance. All surveyed properties received A and B ratings within the Bay City DSA.

There are 137 condominium units in six properties, 82 units, or 59.9%, are in three older buildings that were renovated, while the remaining 55 units, or 40.1%, are in three newly built buildings. The largest of the surveyed properties is Breakers Cove with 46 total units, while the smallest is Antrim Place with four total units. The average sized property is 23 units. The surveyed property with the most unsold units is The Boathouse with 13 of 37 units available. Surveyed properties range in height from two to seven floors.

The average sale prices at the established properties range from a low of \$222,534 at Jennison Place to a high of \$421,000 at The Brownstones. The DSA average weighted (by unit count) sale price for established properties is \$265,933. The average sale prices at the active properties range from a low of \$190,575 at Breakers Cove to a high of \$543,746 at The Boathouse. The DSA average weighted (by unit count) sale price for active properties is \$328,643. The average weighted sale price for all surveyed condominium units in this study is \$202,723 for established properties and \$264,611 for active properties.

The surveyed property with the highest (fastest) absorption rate is The Boathouse with 1.8 sales per month, while the property with the lowest (slowest) absorption rate is The Shearer Building with one sale in 27 months. The DSA average weighted (by sold units) absorption rate for all surveyed properties is 0.9 sales per month. This value is lower than the average weighted absorption rate for all surveyed condominium properties in this study (2.1 sales per month).

The first condominium property within the DSA to be marketed was Jennison Place with the first sale being recorded in April 1998.

The following table lists the active condominium properties within the DSA by unit type, number of stories, unit sizes, and sales pricing:

MAP ID	PROPERTY NAME	UNIT DESCRIPTION			BUILDING STORIES	SQUARE FEET	BASE SALES PRICE	PRICE PER SQUARE FOOT
		BR.	BATH	TYPE				
1	THE BOATHOUSE CONDOMINIUMS	2	2	GD-EL	5	1,627 to 2,129	\$389,000	\$182.71 to \$239.09
		3	3	GD-EL		2,129 to 3,260	\$404,000 to \$727,000	\$189.76 to \$223.01
5	SHEARER BUILDING	2	2	GD-EL	4	2,400	\$198,000	\$82.50
		3	2	GD-EL		2,500 to 2,900	\$307,620 to \$323,400	\$111.52 to \$123.05
6	BREAKERS COVE	2	2	RN	1	1,440	\$197,000	\$136.81
		3	2	RN		1,754	\$237,000	\$135.12

Unit Type: LT=Loft; RN=Ranch; GD=Garden; TH=Townhouse; EL=Elevator; WU-Walk-up

The above table shows that unit sizes in active properties vary greatly for the same unit type. For example, a two-bedroom/two-bath floor plan ranges in size from 1,440 to 2,400 square feet. The smallest unit type is a two-bedroom/two-bath plan at 1,440 square feet in Breakers Cove, while the largest is a three-bedroom/three-bath unit at 3,260 square feet in The Boathouse.

Most units in active properties are elevator-served garden-style designs in buildings with four to five stories. The most common unit type currently for sale is a three-bedroom/three-bath floor plan.

Active properties' sale prices vary greatly as well for the same unit type. For example, a two-bedroom/two-bath floor plan ranges in price from \$197,000 to \$389,000. The lowest priced unit is a two-bedroom/two-bath unit for \$197,000 (\$137 per square foot) in Breakers Cove, while the highest priced unit is a three-bedroom/three-bath unit for \$727,000 (\$223 per square foot) in The Boathouse.

The following two tables show the distribution of sold and unsold units in active properties by sale price, unit type, and sales rate (absorption):

AVERAGE SALE PRICE	TOTAL UNITS*	SOLD UNITS*	AVERAGE MONTHLY UNIT SALES**
\$150,000 - \$199,999	10	2	0.1
\$200,000 - \$299,999	4	2	0.1
\$300,000 - \$399,999	9	3	0.6
>\$400,000	34	22	1.8
TOTAL	57	29	1.4***

* Does not include 38 sold units in Breakers Cove Phase I

**Based on active sales period; active sales period extended to study cut-off date (July 2007).

***Average weighted by sold units

SALE PRICE RANGE	UNSOLD UNIT TYPE				TOTAL	
	GARDEN	LOFT	RANCH	TOWNHOUSE	NUMBER	PERCENT
\$150,000 - \$199,999	6	0	2	0	8	28.6%
\$200,000 - \$299,999	0	0	2	0	2	7.1%
\$300,000 - \$399,999	6	0	0	0	6	21.4%
> \$400,000	12	0	0	0	12	42.9%
TOTAL	24	0	4	0	28	100.0%

The most common unit type and sale price range for unsold units in the DSA are elevator-served garden floor plans ranging in price from \$150,000 to \$199,999 (21.4%) and from \$300,000 to \$399,999 (21.4%). The average weighted (by sold units) absorption rate for all active properties is 1.4 sales per month.

The following appliances are included in the surveyed active property units (frequency indicated by percentage of all active units):

- Range (100.0%)
- Refrigerator (100.0%)
- Dishwasher (100.0%)
- Disposal (100.0%)
- Microwave (55.4%)
- Air conditioning (100.0%)
- Washer/dryer machines (55.4%)
- Washer/dryer hook-ups (100.0%)

The following amenities are included in the surveyed active property units (frequency indicated by percentage of all active units):

- Carpet (55.4%)
- Ceiling fan (55.4%)
- Window treatments (100.0%)
- Balcony (44.6%)
- Fireplace (44.6%)
- Storage (44.6%)

The following common amenities are included in the surveyed active properties for use by residents (frequency indicated by percentage of all active units):

- Fitness center (44.6%)
- Jog/bike trail (55.4%)
- Clubhouse (44.6%)
- Security gate (44.6%)
- Lake/water feature (100%)
- Elevator (44.6%)

The following information relates to association fees in active properties:

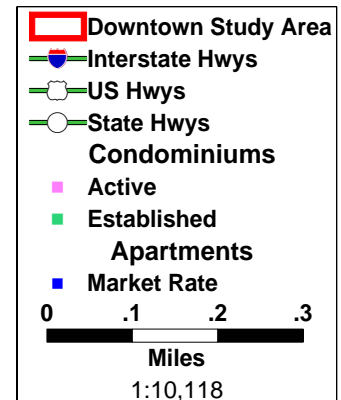
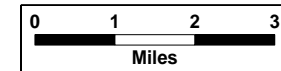
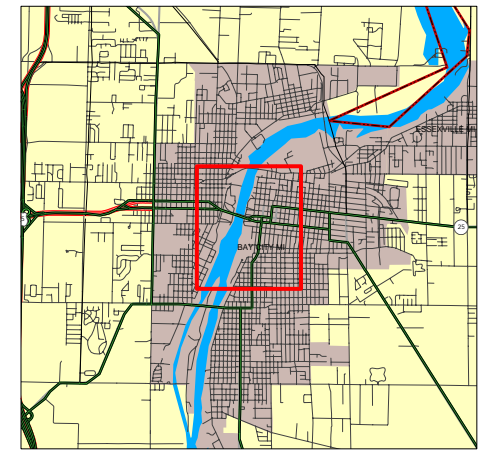
- Average monthly per unit fee for all active properties: \$171
- Range of monthly per unit fees for all active properties: \$100 to \$260
- Items covered by fees (frequency indicated by percentage of all active units): landscaping (100.0%), trash removal (100.0%), snow removal (100.0%), paved area maintenance (44.6%), and management services (44.6%)

Parking in active properties is distributed as follows: all units receive two spaces with 39.0% in a concrete parking garage structure, 12.6% in an uncovered surface lot, and 48.4% in attached conventional residential garages.

An abbreviated field survey of all multi-unit condominium properties in the Bay City DSA is provided in the following pages. Properties have been color-coded to reflect type. The field survey is comprised of the following major elements:






- A colored-coded map indicating the location of each property surveyed.
- A list of properties surveyed with name, address, telephone number, contact person, photograph, property type (active or established), date of first and last sale, number of floors, total units, sales rate, units sold and unsold, and presence of an elevator.
- A summary of the number of properties surveyed, the aggregate number of units sold, and aggregate sales by year.
- A summary of active properties including unit descriptions, unit sizes, parking arrangements, price, and price per square foot.

Bay City, MI: DSA Boundary with Surveyed Properties



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SURVEY OF CONDOMINIUM PROPERTIES - BAY CITY, MI

1	The Boathouse Condominiums				
	Location	1111 N. Water St. Bay City, MI 48708	First Sale: 8/29/2006 Last Sale: 7/1/2007	Sales Rate* 1.8 Total Homes 37 Homes Sold 24 Available Homes 13 Planned Homes 0 Floors 4	
	Developer	Marina Place, LLC			
	Phone	(989) 686-1147			
	Comments	Formerly The Jennison Boathouse constructed in 1921; Elevator			
2	Antrim Place Condominiums				
	Location	921 N. Water St. Bay City, MI 48708	First Sale: 1/19/2004 Last Sale: 4/25/2006	Sales Rate* 0.1 Total Homes 4 Floors 3	
	Developer	Antrim Place, LLC			
	Phone				
	Comments	No elevator			
3	Brownstones				
	Location	1001-1009 N. Water St. Bay City, MI 48708	First Sale: 9/30/2000 Last Sale: 7/30/2001	Sales Rate* 0.5 Total Homes 5 Floors 2.5	
	Developer	Mainstream Capital Corporation			
	Phone				
	Comments	No elevator			
4	Jennison Place Condominiums				
	Location	244 Jennison Pl. Bay City, MI 48708	First Sale: 4/20/1998 Last Sale: 6/8/2000	Sales Rate* 1.2 Total Homes 33 Floors 7	
	Developer	Jennison Development Company, LLC			
	Phone				
	Comments	Elevator			
5	Shearer Building				
	Location	315 Center Ave. Bay City, MI 48708	First Sale: 4/27/2005 Last Sale: 4/27/2005	Sales Rate* 0.0 Total Homes 12 Homes Sold 1 Available Homes 11 Planned Homes 0 Floors 4	
	Developer	Shearer Condominium Development			
	Phone	(989) 894-0611			
	Comments	Bank foreclosed on property; Sale prices reflect shells only; Elevator			

* Calculated based on active sales period. For active projects, active sales period extends to current month



Active




Established

Surveyed - July 2007

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SURVEY OF CONDOMINIUM PROPERTIES - BAY CITY, MI

6 Breakers Cove				
	Location	308 Breaker Cove Bay City, MI 48708	First Sale: 12/15/1998	Sales Rate* 0.4
			Last Sale: 8/1/2007	Total Homes 46
	Developer	Breaker Cove, LLC		Homes Sold 42
	Phone	(989) 239-0541		Available Homes 4
	Comments	No elevator		Planned Homes 20
				Floors 1

* Calculated based on active sales period. For active projects, active sales period extends to current month

 Active

 Established

Surveyed - July 2007

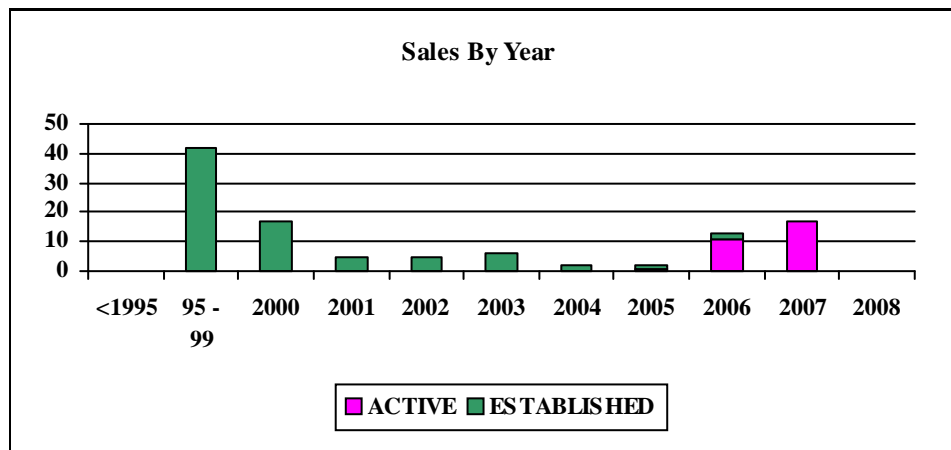
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STATUS OF PROJECTS SURVEYED - BAY CITY, MI

PROJECT STATUS	NUMBER OF PROJECTS	UNITS			
		TOTAL	SOLD	AVAILABLE	PLANNED
ACTIVE	3	95	67	28	20
ESTABLISHED	3	42	42	0	0
TOTAL	6	137	109	28	20
* Active totals include both sold-out and active phases. Established totals reflect projects that have sold out units in all phases.					

UNIT SALES BY YEAR - BAY CITY, MI

YEAR	UNITS SOLD		TOTAL SALES	AVERAGE MONTHLY SALES
	ESTABLISHED PHASES	ACTIVE PHASES		
< 1995	0	0	0	
1995 - 1999	42	0	42	3.5
2000	17	0	17	1.4
2001	5	0	5	0.4
2002	5	0	5	0.4
2003	6	0	6	0.5
2004	2	0	2	0.2
2005	1	1	2	0.2
2006	2	11	13	1.1
2007	0	17	17	2.4
TOTAL	80	29	109	0.6 *
* - AVERAGE MONTHLY SALES FROM 2000 TO 2006				



Surveyed - July 2007

PRICE ANALYSIS - BAY CITY, MI

MAP ID	PROJECT NAME	UNIT DESCRIPTION				SQUARE FEET	PRICE	PRICE PER SQUARE FOOT
		BR	BATHS	STYLE	PARKING			
1	The Boathouse Condominiums	2	2	GARDEN ELEVATOR	G / 2	1627 TO 2129	\$389,000	\$182.71 TO \$239.09
		3	3	GARDEN ELEVATOR	G / 2	2129 TO 3260	\$404,000 - \$727,000	\$189.76 TO \$223.01
5	Shearer Building	2	2	GARDEN ELEVATOR	L / 2	2400	\$198,000	\$82.50
		3	2	GARDEN ELEVATOR	L / 2	2500 TO 2900	\$307,620 - \$323,400	\$111.52 TO \$123.05
6	Breakers Cove	2	2	RANCH	A / 2	1440	\$197,000	\$136.81
		3	2	RANCH	A / 2	1754	\$237,000	\$135.12

 Active
 Established

PARKING
 A - Attached C - Carport
 D - Detached L - Lot/Surface
 G - Parking Garage

Surveyed - July 2007


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UNIT ANALYSIS - BAY CITY, MI

MAP ID	PROJECT NAME	UNIT DESCRIPTION			SALES INFORMATION			
		BEDROOMS	BATHS	STYLE	TOTAL AVAILABLE	PLANNED	PERCENT SOLD	
1	The Boathouse Condominiums	2	2	GARDEN ELEVATOR	3	1	0	66.7%
		3	3	GARDEN ELEVATOR	34	12	0	64.7%
5	Shearer Building	2	2	GARDEN ELEVATOR	6	6	0	0.0%
		3	2	GARDEN ELEVATOR	6	5	0	16.7%
6	Breakers Cove	2	2	RANCH	4	2	10	50.0%
		3	2	RANCH	4	2	10	50.0%
					57	28	20	50.9% *
* - AMONG UNITS AVAILABLE OR UNDER CONSTRUCTION								

■ Active
■ Established

Surveyed - July 2007

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Planned Multi-Unit Developments

According to city building and planning officials, there were three multi-unit housing properties pending city approvals that had not started construction by July 2007 (study cut-off date) within the Bay City DSA. The following table provides summary information on these planned properties:

PROPERTY NAME & LOCATION	DEVELOPER	PROPERTY TYPE	TOTAL UNITS	PROPERTY DETAILS	PROJECTED OPENING
MILL END BUILDING 103 CENTER	PAUL ROWLEY	MRR/ MIXED USE	15	NA	2010
UPTOWN AT RIVERS EDGE WASHINGTON AVE.	CITY OF BAY CITY	CONDO/ MIXED USE	NA	NA	UNKNOWN
BREAKERS COVE PHASE II 308 BREAKERS COVE	RIVERS EDGE DEVELOPMENT	CONDO	20	10-1BR'S 10-2BR'S PHASE II	UNKNOWN
TOTAL		3	35+		

NA – Not Available

There is one new multi-unit rental housing property totaling 15 units and one new multi-unit condominium housing property with an unknown number of units planned for the Bay City DSA. In addition, there is one existing active condominium property (Breakers Cove) that is planning 20 additional units at their present location. Combined, this represents a total of three multi-unit housing properties with 35 or more total units for an average size of 12 or more units per planned property.

Summary

From our research and field survey, the following table summarizes the multi-unit housing supply within the Bay City DSA that met the study's selection criteria:

PROPERTY TYPE	PROPERTIES				UNITS			
	PLANNED	BEING BUILT	BUILT	TOTAL	PLANNED	BEING BUILT	BUILT	TOTAL
RENTAL	1	0	1	2	15	0	11	26
CONDOMINIUM	1	0	6	7	20+	0	137	157
TOTAL	2	0	7	9	35+	0	148	183

Combined, there are a total of nine multi-unit housing properties planned, being built, or built in the Bay City DSA representing 183 total units. Of these 183 units, 35 or more (19.1%) are planned, none are being built, and 148 (80.9%) are built.